

Message Text

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14

ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

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DRAFTED BY: XMB:AFBEEDE:SSU

APPROVED BY: EB/IFD/ODF:RASWART

XMB:CNORRIS

XMB:DOBEIM

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----- 097692

R 112250Z NOV 75

FM SECSTATE WASHDC

TO AMEMBASSY ANKARA

INFO AMCONSUL ISTANBUL

UNCLAS STATE 267143

E.O. 11652: N/A

TAGS: EFIN, TU

SUBJ: EXIMBANK FINANCING FOR THY BOEING 727 AIRCRAFT

1. FOLLOWING TELEX SENT NOV 7, 1975 TO OZAL, MINISTRY OF FINANCE,
WITH COPY TO CAGLAYAN OF TURKISH EMBASSY AND THE BOEING COMPANY.

2. QUOTE: IN ACCORDANCE WITH THE OPERATING AGREEMENT OF MARCH
15, 1973 BETWEEN THE GOVERNMENT OF TURKEY AND THE EXPORT-IMPORT
BANK OF THE UNITED STATES, THIS IS TO INFORM YOU THAT EXIMBANK IS
PREPARED TO ISSUE ITS FORMAL COMMITMENT TO TURK HAVA YOLLARI
TO ASSIST IN THE FINANCING OF ONE BOEING 727-200 AIRCRAFT AND
RELATED SPARES, PARTS AND TOOLS, WITH U.S. COSTS OF DOLS 11,500,000.

EXIMBANK'S DIRECT AND INDIRECT ASSISTANCE WOULD TOTAL DOLS 1,600,000
OR 13.91 PERCENT OF THE U.S. COSTS, ON ESSENTIALLY THE FOLLOWING
TERMS:

GUARANTOR: THE GOVERNMENT OF TURKEY

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FINANCING: 65.22 PERCENT CASH PAYMENT OR NOT LESS

THAN DOLS 7,500,000 FROM INSURANCE PROCEEDS.
6.96 PERCENT CASH PAYMENT OR NOT LESS
THAN DOLS 800,000.
13.91 PERCENT EXIMBANK CREDIT OR NO
MORE THAN DOLS 1,600,000 AT 8-1/2 PER-
CENT INTEREST.
13.91 PERCENT PRIVATE SOURCE LOAN OR NOT
MORE THAN DOLS 1,600,000 WITHOUT EXIMBANK
GUARANTEE.

COMMITMENT FEE: EXIMBANK DIRECT CREDIT - ONE HALF OF ONE
PERCENT BEGINNING TO ACCRUE NOVEMBER 6,
1975.

REPAYMENT: TEN SEMIANNUAL INSTALLMENTS BEGINNING
APRIL 15, 1977, PRIVATE SOURCE LOAN FIRST
FIVE, EXIMBANK LAST FIVE.

DISBURSEMENT: PARU PASSU

AVAILABILITY DATE: OO OCTOBER 31, 1976

ASSURANCE OF EXCHANGE

AVAILABILITY: MINISTRY OF FINANCE, REPUBLIC OF TURKEY

PLEASE NOTIFY US AT YOUR EARLIEST CONVENIENCE WHETHER FINANCE
MINISTRY APPROVES ISSUANCE OF COMMITMENT. INASMUCH AS THIS
PROJECT HAS ALREADY BEEN SUBJECT OF DISCUSSION BETWEEN THY AND
FINANCE MINISTRY, AND BETWEEN EXIMBANK AND TURKISH EMBASSY, AND
CONCLUSION OF FINANCIAL ARRANGEMENTS IS CRUCIAL FOR SPEEDY
EXECUTION OF PROJECT, WE TRUST THAT MINISTRY IS IN A POSITION TO
REPLY PROMPTLY. END QUOTE. INGERSOLL

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Margaret P. Grafeld
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